

INFORMATION REPORT

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SUBJECT USIA Price Reductions; Other
USIA Developments

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SUPPLEMENT TO
REPORT NO.USIA Price Reductions

1. For the past two weeks, sales and purchasing offices of USIA production administrations and USIA-controlled firms have been revising prices, in most cases making drastic price reductions, on large quantities of unsalable products as well as surplus raw materials and semi-finished products preparatory to a wide-scale sales program. The following is a list of major items, which will be offered for sale by USIA firms or USIA sales and purchasing offices:

<u>USIA Firm or Office</u>	<u>Item to be Sold</u>	<u>Book Value in Schillings</u>	<u>Sale Price in Schillings</u>
<u>A/O Autovelo, Automotive and Fine Mechanics Department of USIA*</u>			
Berndorfer Metallwaren- fabrik A.G., Berndorf	Raw materials, primarily iron and steel plate, and finished products including tanks, vats, tableware, knife blades, wire, cable and electri- cal material	417,500	Initial sales price estimated at 613,000
<u>A/O Podzemnik, Heavy Industry Department of USIA</u>			
Berndorfer Metallwaren- fabrik A.G., Amstetten	25 tons of steel and other materials	105,000	85,000
Gebr. Boehler & Co., A.G., Ybbatalwerke	4.7 tons material	44,400	3,400
Schmidhuetten Krems, Schmid & Co., Kon.-Ges., Krems	83 tons of iron and steel	49,000	20,000
Stahl-u. Temperguss A.G., Traiscen	Chrome and wrought iron, sheet metal and semi- finished metals	171,000	97,000

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<u>USIA Firm or Office</u>	<u>Item to be Sold</u>	<u>Book Value in Schillings</u>	<u>Sale Price in Schillings</u>
Gruber & Hardtmann, Spritz- und Pressgusswerke, Hainfeld	Unspecified quantity of nails, cable shoes, Stauffer lubricators, starter coverings	135,000	125,000
<u>A/O Kraska, Chemical Industry Administration of USIA</u>			
A/O Kraska Sales and Purchasing Office Warehouse Vienna IV, Gusshausstrasse	83 tons of various types of chemicals, including lubricating oils, saltpeter, quartz sand, rust-proof paint, large quantities of colored paint, 100 tons of newsprint	495,000	360,000
	Round iron, cable and tools	145,000	200,000
Vinzenz Wagner, Vienna XXI	73 tons of paint and lacquer, graphite, lead acetate, ground asbestos and other chemical products	319,000	Price not yet fixed.
H. M. Habich A.G., Weitenegg a/d Donau	113 tons lime fertilizer, talcum, graphite	13,000	13,000
<u>A/O Kabel, Electrical Industry Administration of USIA</u>			
A/O Kabel Sales and Purchasing Office	22 electric motors	240,000	113,000
	11 electric motors minimum 11 Kw, 9 power transformers maximum 100 Kw	360,000	215,000
	Various types of steel and other metals	3,840,000	258,300
Brown Boveri A.G.	60 tons of cast iron, steel, sheet and wire metal	190,000	26,000
	16 generators, 25 regulators, 150 starters, 95 DC motors	170,000	160,000
AEG-Union, Vienna XII	408 tons of iron, steel, pig and malleable iron, steel castings, copper, aluminum and bronze; 21,000 meters of cable, various chemical and electrical materials	1,307,000	435,000
	Semi-finished materials	600,000	Price not quoted
	Finished products including motors, transformers, and electric switches, 43 GS motors and 7 machines loaned to AEG-Union by A/O Kraska Sales and Purchasing Office	1,427,000	Price not quoted

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<u>USIA Firm or Office</u>	<u>Item to be Sold</u>	<u>Book Value in Schillings</u>	<u>Sale Price in Schillings</u>
Siemens-Schuckert A.G., Siemensstrasse, Vienna	Materials purchased both before and since 1945, including metals, electrical equipment, and semi-completed generators	2,860,000	1,052,000
Wiener Kabel und Metallwerke A.G.	Raw materials, including 139 tons of hoop iron, other types of iron, steel and wire purchased before 1945, and 45 tons of hoop iron, various types of iron, steel and wire acquired since 1945.	640,000	540,000
C. P. Goerz	26 tons of various types of steel, 44 tons of manganese, 6 tons of unfinished glass, various types of wire	700,000	248,000
	Semi-finished products including theodolites, electrical measuring instruments, binoculars; tachometers and other instruments	1,400,000	5,000
	Unsalable binoculars, spectacles and other instruments	1,800,000	830,000
	CEM items including 12,000 ball bearings, 170,000 steel balls and links, unfinished glass	480,000	70,000

Recent Sale to the USSR

2. During the past week Wiener Werkzeug- u. Werkzeugmaschinenfabrik, Ing. Frank & Co. shipped machinery, valued at a total of 1,096,177 schillings, to the Soviet Union. Included in this shipment were:

Three eccentric presses, type "F", each weighing 100 tons, valued at 452,247 schillings

One long-fold pressing machine, type "L" (Langfalzdruckmaschinen)

One fold-bending machine, type "F" (Falzanbiegemaschinen)

One "Auseck" eccentric stamping or punching machine, type "A"

One sealing machine, type "V" (Verschlussmaschinen)

Three double-socket machines, type "D", valued at a total of 149,006 schillings (Doppelbordelmaschinen)

Three Sickenmaschinen, type "S", valued at a total of 157,284 schillings

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USIA Firm Turned Over to Soviet Army

3. After a week of rumors regarding Soviet plans for Elko Metallverarbeitung G.m.b.H., this plant has been turned over to Red Army ordnance personnel and is now being used as a repair shop for Soviet tanks. Elko employees have been transferred to Wiener Leichtmetallwerke G.m.b.H., Vienna XXV, and other USIA plants.

Negotiations with Austrian Government

4. During conversations recently held between officials of USIA Headquarters and the Austrian Government, on the subject of establishing official trade relations between USIA and Austrian enterprises, USIA Headquarters delegated as its official representatives the following Soviet General Directors of USIA:

Chemical Industry: KUKOYEV, Chief of USIA's Chemical Industry Administration:**

Electrical Industry: KOSOV of USIA's Electrical Industry Administration.***

Heavy Industry: KOBILEVSKY of A/O Podyomnik, USIA's Heavy Industry Department.

Automotive Industry: SKIRDKOV, official of A/O Avtovelo, Automotive and Fine Mechanics Department of USIA.****

Metallurgical Industry: SHELENKO

Light Industry: MATSEV

Construction Industry: Dmitri SIDOROV, Soviet Director of USIA's Construction and Building Materials Administration.

Food Industry: KOSTIUK

Agriculture and Forestry: Josef SMIRNOV, Chief of USIA's Land and Forestry Department.

The Austrian Ministry of Trade also gave USIA Headquarters a list of officials, for the most part presidents of divisions of the Austrian Chamber of Commerce, who are authorized to represent the Austrian Government in future transactions with USIA.

USIA Personnel

5. According to THIENEL, Austrian commercial expert employed in USIA's Central Commercial Bureau, Vladimir TIKHOMIROV, Soviet General Director of USIA, who has been on leave in the Soviet Union, will not return to Vienna but will remain in Moscow as director of the Central Administration of Soviet Property in Austria. SHEVCHENKO, Chief of USIA's Central Commercial Bureau, and one SDARTSNO are now serving as TIKHOMIROV's deputies handling commercial matters.***
6. THIENEL is also quoted as saying that poor working conditions and inefficient administrative procedures of USIA's Central Commercial Bureau are causing more and more employees of this office to seek employment elsewhere. THIENEL alleges that he is now a roving supervisor of all USIA units administered by the Central Commercial Bureau.
7. PSCHENICHNIKOV's position as Director of the A/O Avtovelo Sales and Purchasing Office seems more tenuous every day. Avtovelo Sales and Purchasing Office employees have observed that not only is he inefficient but recently he has displayed his apprehensions about retaining his job. Some employees believe PSCHENICHNIKOV's failure to sell a lot of about 1,000 used and wrecked Soviet Army vehicles, which were turned over to the A/O Avtovelo Sales and

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Purchasing Office several weeks ago, may be a reason for his anxiety. *****
 While PSHEVICHNIKOV has been negotiating with a number of automobile dealers,
 Director General LUKYANOV of Mercedes-Benz Reparaturwerke has already com-
 pleted a number of sales from this lot of vehicles. Some Avtovelo employees
 believe that SKIRDKOV, an A/O Avtovelo administrative official, may promote
 LUKYANOV to a post over both PSHEVICHNIKOV and FUNIN, chief Avtovelo bookkeeper.

7. Over a period of time, USIA employees have observed that USIA bookkeepers have far more power than Soviet general directors of USIA production administrations. It is believed that most of the USIA bookkeepers have had political training in Moscow and have been carefully selected for these posts. Although they themselves deal only with USIA's Soviet employees, USIA bookkeepers maintain close surveillance of Soviet general directors whose tasks bring them in contact with Austrian business circles.

25X1A6a * Comment: This list of A/O Avtovelo sales items supplements that given in 25X1A2g

25X1A6a ** Comment: It is reported that, one KUKOLYEV is Director of USIA's Chemical Industry Administration.

25X1A6a *** Comment: KOSOV was previously mentioned in 25X1A2g

**** Comment: For a previous report on SKIRDKOV, see 25X1A2g

***** Comment: Cf. 25X1A2g

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***** Comment: LUKYANOV's sale of 100 of these vehicles was reported in

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